

**DRAFT MINUTES
SNOWMOBILE ADVISORY COMMITTEE MEETING
Sydney's Restaurant
400 Cedar Street
Munising, Michigan
December 11, 2008**

Chairman Wheatlake called the meeting of the Snowmobile Advisory Committee (SAC) to order at 8:57 a.m., Thursday, December 11, 2008, in Munising, Michigan.

Members Present:

Frank Wheatlake, Chairman, Business and Community Representative, Reed City
Bill Manson, Region III, Michigan Snowmobile Association (MSA), Grand Rapids
Bill Lucas, Region II, MSA, Cadillac
Lee Murray, At-Large, Hopkins
Orville Olson, Representative at Large, Ludington
Richard Filley, Trail Sponsors Representative, Graying
Jim Duke, Region I MSA, Munising

Ex-Officio Members Present:

Randy Charles, USDA, Ottawa National Forest
Dick Anderson, USDA, Hiawatha National Forest

DNR Staff Present:

Lynne Boyd, Chief, Forest, Mineral and Fire Management (FMFM), Lansing
Jim Radabaugh, State Trails Coordinator, FMFM, Lansing
Steve DeBrabander, State Trails Unit Manager, FMFM, Lansing
William O'Neill, Lower Peninsula Field Coordinator, FMFM, Gaylord
Mike Paluda, Upper Peninsula Field Coordinator, FMFM, Marquette
Loretta Cwalinski, Secretary, FMFM, Gaylord
Lt. Andrew Turner, Law Enforcement Division (LED), Lansing

Mr. Wheatlake introduced himself and welcomed everyone. The Committee, DNR staff and the audience introduced themselves.

MINUTES

The minutes of the October 23, 2008 SAC meeting were acknowledged.

Motion was made by Mr. Lucas, seconded by Mr. Duke, to adopt the minutes of the October 23, 2008 meeting. Motion for adoption unanimously carried.

OLD BUSINESS

Motorized Trail Study – **Dr. Nelson** discussed the prior survey that was conducted in 1996 and 1997, and gave the background of spending that occurs by snowmobilers; demographics, trail permits and registrations. The upcoming survey will be sent out in

three 'waves' of 1000 each - January 15, 2009, February 15, 2009 and March 15, 2009. The survey is confidential and gives respondents three chances to reply. The final report will be provided July 1, 2009 to DNR.

Dr. Nelson asked the SAC about the wording of one particular question about support of an increase in fees. A discussion ensued on the question and on the topic of providing incentives for a higher return rate.

Motion was made by Mr. Manson seconded by Mr. Olson that SAC support the questionnaire and the methodology used. Motion for adoption unanimously carried.

Contract Grooming Update – **Mr. DeBrabander** reviewed the bid process for the Gaylord trail segment. The lowest bid was selected out of four bidders. They've groomed every day, and it has been successful. He also added DNR staff has seen there is more 'behind the scenes' activities that groomers do and it's been a positive learning experience.

Mr. Olson asked about providing copies of the bid to SAC. **Mr. DeBrabander** said once the Administrative Board approves and signs the contract, that information will be sent out.

Mr. Wheatlake asked if this is cost competitive. **Mr. DeBrabander** said that they have looked at average cost per mile, and made comparisons to the \$13 per mile bid rate. It is difficult to compare to a club because there are no other expenses like buying equipment etc. The contract is for one season an option to renew for four years.

Mr. Wheatlake asked if clubs could bid on future contracts. **Mr. DeBrabander** said that would be looked at. Discussion continued. A portion of the west trail is temporarily being groomed by Jordan Valley Trails Council and he mentioned appreciation for their help.

Mr. Reed asked about the separate contract for brushing and signing. **Mr. DeBrabander** indicated there was a separate contract and that was not included in the statewide average he gave earlier.

Mr. Manson wanted to know if there was more work involved for the contract on the Department's end. **Mr. DeBrabander** said yes there is. Also, the Department is providing the drag and the contractor is providing the groomer. Jordan Valley Trails Council is now grooming the 27 trail miles to the west, soon the two seasonal State Park employees will be using the repaired equipment.

Mr. Wood, Jordan Valley Trails Council asked how cost for equipment was calculated for determining club costs. **Mr. DeBrabander** stated the Department was estimating \$20,000 per year per groomer based on purchase price, depreciation and trade-in values.

Mr. Wheatlake said they would like to see the numbers and discuss at the SAC on a continuing basis.

New Trail Sponsor Grooming Equipment Eligibility – Mr. Wheatlake asked for a ten-day timeframe for review, and asked to table the discussion until the next meeting. Mr. Lucas seconded.

Mr. Radabaugh read a DRAFT interpretation dated 12/11/2008 for equipment eligibility for SAC's consideration.

Snowmobile Program Audit Update – Mr. Radabaugh referenced the memo to Ms. Boyd from Tom Benson, Chief, Internal Audit, regarding Phase I of the audit of physical inventory. There are two phases to go. Ms. Boyd said Phase II will be for trail permits revenue. Mr. Radabaugh summarized the results. There will be audit recommendations when it is all complete.

Mr. Wheatlake asked staff to work on the discrepancies identified in the audit and thanked the sponsors for their cooperation.

NEW BUSINESS

Snowmobile Program Budget – Ms. Boyd explained that in closing the books for fiscal year 2008 approximately two million dollars are not closed out from the 2007 budget and contained several various grants. Those grants are now closed out and there is two million dollars available. The Legislature must approve spending authority and the Department is working on that, hoping for this legislative session. One million is hoped for equipment grants. The other million is to go toward special maintenance projects. Ms. Boyd feels this is good news.

Mr. Wheatlake added further explanation of budgets, encumbrances and grants. He talked about finding the balance of what's available and adjusting if lower revenue occurs to slow or lower spending.

STAFF REPORTS

Pere Marquette Bridge – Mr. DeBrabander reported that the old railroad bridge over the Muskegon River on the Pere Marquette Rail Trail has been through massive restoration and is not quite done yet due to more work than anticipated on the abutment. The contractor expects it to be done December 20th. There are barricades and signs at the bridge area, and the Department has issued a press release about the closure.

Extended Warranties – Mr. DeBrabander said the discussion has been to move forward with warranties extended to five years. Staff is contacting clubs with 100 percent funded equipment. Sponsors are expected to pay deductible.

Irons Area Trail Proposal – Mr. Radabaugh stated documentation has been provided for the two missing permissions, these were dated in January 2008; he signed the trail proposal and sent the Irons Area Tourist Association an approval notice for the trail, on an eight-mile stretch of former rail corridor.

Fuel Reimbursement - Mr. Radabaugh advised that due to lower fuel costs, there will be an adjustment reduction of .48 cents in the per mile grooming rate.

Question was asked how quick the response would be to increase that amount when fuel prices readjust – that will be done at the end of the season. Discussion continued.

Mr. DeBrabander provided information about the changes to FMFM regarding grants administration; the Department has hired a new person - Kelly Parker, who will be working with all the recreation trail grants. Also, FMFM is reorganizing the website and there will be a specific site for trail sponsors. This change is to eliminate too much searching for what is needed. He asked for comments or suggestions. Automated trail proposal system is being worked on as well.

Trail proposal for Presque Isle corridor through quarry has seen some progress. Carmeuse owns it now. We just recently received a proposed reroute which will not be through any 'working' area of the quarry. Trust fund purchase, rail-banked, and easements are still being worked on in the legal area.

Mr. Wheatlake added that there has been a half million dollar grant from NRTF for Alpena to Cheboygan. It matches an MDOT enhancement grant and match from local communities, for limestone surface improvements to this rail trail.

Mr. Lucas said that the Pere Marquette trail has bothered him in that it has highway signs on it and not snowmobiling signs. Should trail sponsors maintain them as MDOT standards? Those dollars were through MDOT, so maintain them as such.

Mr. Houk, Presque Isle Sno-Trails said he appreciated all the help they've received. The signing is already on the grade, but why is there a need to re-sign? **Mr. Radabaugh** said the signs need to be removed and relocated for the widening of the trail.

US Forest Service – Mr. Charles, USDA, Ottawa National Forest provided clarification on what their role is due to some confusion about the MOU with DNR and to have one person as the snowmobiling contact, which is Mr. Charles himself. He complimented SAC and the Department on their efforts; it's been a good relationship in his experience especially compared to other states. In addition, he wanted everyone to be aware that he is the main contact for his region, but Anne Okonek would be the local contact. He added that the Forest Service has used survey information provided by Dr. Nelson.

The trail reroute in the Buck Lake area is open – the trails there are in great condition. Cadillac area needs work on the trails.

Mr. Anderson, USDA, Hiawatha National Forest - reported for Anne Okonek. They had one small item to add that Doty Bridge over Studd's Creek, (the critical link on Trail 8 across the UP) was condemned several years ago, but they have had a temporary bridge and the project to repair the original bridge was \$500,000. They are working with local Department contact on getting ORV funds as well. They have been asked for a good candidate for the economic stimulus and have pulled the bridge design information for that bridge. They also have possibly nine other projects to submit.

Mr. Paluda said there was a half a million dollar proposal submitted as well from the Department.

Law Enforcement – **Lt. Andrew Turner** handed out information on the snowmobile education program in counties throughout Michigan. **Mr. Wheatlake** wondered if there are enough snowmobile classes available because he's heard concerns over lack of availability. He also asked if LED could work on developing more instructors through a "train the trainer" concept. **Lt. Turner** said he will work on both. Information for those classes is available online and can be searched by county at www.michigan.gov/dnr, under the Recreations Safety Classes link.

Lt. Turner handed out a report of expenditures on enforcement grants, effort hours and tickets issued. He briefly reviewed that information and discussed the reduction in funding.

Mr. Manson asked that if there are no funds in a particular District, then will there be no snowmobile enforcement? **Lt. Turner** explained that he is correct, however; laws will still be enforced, but many times there are other programs that the funding will come from.

Mr. Wheatlake expanded the explanation of funding to LED and the lack of General Funds to that Division. Most of their operating dollars are from the Game and Fish fund. Discussion continued.

Mr. Murray added a thank you for the information again as it is quite helpful.

Mr. Paluda mentioned the Chatham trail –residents are causing difficulty in Alger County with the road commission to close those county roads. There were 12 areas along the railroad grade in Alger that are owned privately. Also, the Shingleton trail and the gas station that is in bankruptcy; nothing can happen with that property at this point. Also, Drummond Island issues with the snowmobile and ORV communities – there are some reroutes and other things being worked on, and it seems to be successful. **Mr. Wheatlake** asked if it is a money issue for Chatham. **Mr. Paluda** said it's more of an ownership issue.

Mr. Radabaugh said he will check with the Office of Land and Facilities to find out.

Mr. Britton, MUPSA, Hiawatha Trails said he feels title searches should be done first off on those 12 parcels; he feels the situation is getting worse the longer it goes on. This has been going on for more than 12 years.

Mr. Wheatlake asked about the inventory of these opportunities. **Mr. Radabaugh** said the Department is currently working on acquisitions for trails in 23 counties; we have to have a willing seller and the funds to meet the appraisal.

Mr. Wheatlake said they will try to clarify that as well.

Mr. Britton said it costs a lot of money to keep the permits open. It costs about \$1500 each year out of the club's money to keep the trail open.

Mr. Manson discussed the Senate bills introduced for trail fee and registration fee increases. He mentioned a meeting with several of the individuals involved to discuss funding and the bill clarifications, along with the direction of the availability of those

funds. The bills did pass the House last evening. The Senate will meet again Wednesday.

PUBLIC APPEARANCE

Ms. Locatis, Allegan County Snow Club said that they have two pieces of property in a wet area and wonders why the Department won't take care of that property with the railroad grade. CSX won't even discuss it with them.

Mr. DeBrabander suggested working with the local contact to fix that. That trail goes through Allegan State Game Area. The railroad still owns the property, but the Department owns the rest of it. The railroad has been inactive there for over 20 years. Staff will follow up.

Mr. Britton asked about ORV damage on private property - is there a mechanism to take care of that? No, by statute they are not eligible on private property. **Mr. Britton** said there are three instances on private property that they have now.

Lt. Turner added there may be restitution funds if there is prosecution.

Mr. Britton said the State Police told him it was a civil issue. He also asked if the trails program can help with sign damage after the season has started. Last year they had 27 signs knocked down. He would like to see more power to enforce laws against sign destruction, and in February it's near impossible to replace signs.

Mr. DeBrabander said there is ability to enforce that with the law, but finding the culprits is the key. Maybe MSA can assist with educating the public.

Mr. Lucas advised to call the local Sheriff for monitoring, and use the RAP line for those violations.

Mr. O'Neill said that there was the same issue in Hillman; the club went to the local paper and the Sheriff and they located the suspects. Involve the local community if possible.

Mr. Britton made one last comment to speed up the equipment process because they will have lots of equipment repairs coming up.

Ms. Freeborg, St Helen Snopackers said she had trouble with checks that come in to her. She doesn't know which grant is being paid for as there are no explanations. It was recommended that she go to the DNR website as there will be an explanation there from Grants. It would also be helpful to check with the grant administrator if there are questions.

Mr. Dickey, MSA directed a question to Lt. Turner. He questioned needing trail permit and registration on private property. No trail permit or registration is needed on private property.

Mr. Gallagher, St. Helen Snowpackers said Marl Lake trail is open but they still need 911 signs. At St. Helen's motorsports area there's been a clear cut - they would like to

see a reroute if possible because now the soil is too loose. What could be done to take care of the sandy loose soil? Could there be a rock base of some kind?

Mr. O'Neill said he's aware of that problem, and the last grading was done as late as possible. It seemed to help, but that's a tough area to improve. There could be a reroute, but maybe filter cloth and gravel would help in short segments, but the problem could still reoccur. He suggested making a proposal.

Mr. Gallagher would like to see a news release about the destruction of signs because their area is bad for that too. Agreed – staff will do that.

Mr. Gallagher has been in discussion with Lt. Creig Grey and hopefully there will be a trail camera set up. Peeling signs are also a concern and they are monitoring those.

Mr. Wood, Jordan Valley said that last year they got a groomer from the DNR, and shortly thereafter had several large repairs. That particular machine has had several hundred hours of repairs put into it. He wanted to explain that in taking on the Gaylord trail, and by asking for a new piece of equipment, they did not want to add another possible piece of equipment that would be a burden with man-hours or otherwise. They did not want to come across as greedy and just wanting new equipment.

Mr. Filley said that he had a discussion with the Department about the south end of that trail, and they requested a new piece of equipment as well.

Mr. Houk asked if there was any update on the Black Mountain trail re-route that is in process? That information is in the Recreation Section's report, and needs to be satisfied by the DEQ and statute. If you destroy one acre of wetlands, another must be created.

Mr. Houk also mentioned the issue of logging that went right up to a segment of trail, a stump was left and their equipment found it. It would be helpful if they knew about logging in any particular area. He would like to see foresters work with their field contact.

Mr. Green, Cadillac Winter Promotions thanked the Department for their preseason inspection - they've received their funds. He also wanted to clarify warranty information. He does not understand how the Department can ask grant sponsors to pay deductibles for repairs. What is the deductible, and why are they to be responsible?

Mr. Manson said that this is one of the issues to be reviewed in the grant handbook. They are still in discussion over the 100% funded equipment and catastrophic repairs.

Should there be an amendment created to cover this warranty? **Mr. DeBrabander** said that the direction they have so far was what was discussed in the last meeting. Different manufacturers have different warranties. The intent was for some incentive to take care of the equipment if there was to be a deductible paid by the groups. Discussion was two years originally, and extending to five years. They are doing amendments currently, and if warranties are expiring, please contact Mr. Richard Kennedy or Mr. DeBrabander. Discussion continued.

Mr. Wheatlake said that a seven year warranty would be best. There is a third party that will do the additional five years. The Department would look at that.

Mr. Green said that it would be best for them because their warranty is close to expiring. He added that he would like to see the seven years.

Mr. DeBrabander said the grant can be amended and there will be differences in the warranty.

Mr. Lucas suggested that Bader & Sons should get the price and get it to Mr. DeBrabander.

Mr. Wheatlake wants to clarify who will cover the liability.

Mr. Manson suggested there should be a reasonable amount for the club to pay, clarify if it was negligence or by normal use and to cost share the deductible. It should also be on a case-by-case basis. Discussion continued on the time period, deductibles and costs.

Mr. Wheatlake said that staff is asking for up to a \$1000 deductible, program pays for 75% of the remainder for catastrophic.

Mr. Olson said \$1000 sounds reasonable; the deductible shouldn't be too much, but it needs to be enough.

Mr. Litchfield with Bader and Sons John Deere explained extended warranties. If it's out of warranty, there are additional equipment tests that need to be submitted before a price is quoted for warranty. He thought that trading up every two years was a good idea, but the feasibility of trading up and keeping newer equipment is probably not realistic as the overall revenue is probably not there.

Mr. Wood said they have no problem keeping the same piece of equipment for six or seven years.

Mr. Wheatlake said that warranties on the new tractors need to be acted on now, they need to be dealt with first. This is for the 100 percent equipment. Also, the 100 percent equipment that is nearing warranty expiration needs taken care of as well. Discussion continued.

Mr. Reed commented that you cannot put blanket coverage for all equipment but he does agree on extended warranties.

Mr. Manson made a motion to support Cadillac Winter Promotions to purchase additional two and four year warranties, with the deductible to be \$1000. Discussion to change that motion to read as follows: For 2008 equipment purchases, the trail sponsors shall purchase an extended warranty to be paid by the program upon approval of the Department. The maximum deductible, to be paid by the trail sponsor will be \$1,000.

Mr. Wood said their warranty runs out in two weeks.

A second motion was moved by **Mr. Manson**, supported by **Mr. Murray** for previously purchased 100% program funded equipment with a manufacturers warranty expiring, trail sponsors have the option to purchase an extended or after market warranty to be paid by the program upon approval of the Department. The maximum deductible to be paid by the trail sponsor for repair of the equipment will be \$1,000.

Details will be worked out when further information is collected and SAC agrees to a process that requires the terms and costs of the warranty to be provided and discussed with Program staff and approved by Program staff prior to purchase.

Mr. Wheatlake would like to see staff continue with making comparisons and looking at numbers.

Mr. Manson recommends that Mr. Wood's information be forwarded to staff, and to go forward if it makes sense.

Mr. Wheatlake said that this will be a continued agenda item, and the equipment needs to be maintained and kept running.

A motion was made by Mr. Manson, seconded by Mr. Olson that on 100% program funded equipment with a two year warranty; the trail sponsors shall have the option to purchase an extended warranty.

Wheatlake – Abstained

Filley – Aye

Manson – Aye

Olson – Aye

Lucas – Aye

Murray – Aye

Duke -- Aye

Mr. Witt, John Deere Credit proposed a municipal lease for up to six years. Basically a full buyout, at the end of five years, the clubs would pay for the equipment and own it. They can trade out of it at anytime and is why trading out every two years is a good idea. Interest rate now is 5.5 percent.

Mr. Wheatlake suggested having a few SAC members, staff and a Grants person sit down and discuss. Mr. Olson and Mr. Lucas will meet with staff. The Department will take the lead on setting up the meetings.

2009 Meeting Schedule:

February 26 in Sault Ste. Marie

April 23 at RAM Center

June 25 at RAM Center

October 1 in Mackinaw City or St. Ignace

December 10 in Munising

Mr. Reed asked where insurance coverage was for trail liability for the contractor in the Gaylord Unit - Mr. DeBrabander will find out and advise.

Mr. Gallagher wondered if Lyle Signs will still have the next contract. Lyle Signs can bid, but the current contract runs out in January.

Mr. Harris, Southern Michigan Snow Council asked why Sheriff's budgets are getting cut so much. **Mr. Wheatlake** said that the whole pool of money is less this year and grants were cut across the board.

Mr. Wheatlake feels there should be a process to decide about equipment purchases. Perhaps the committee for groomers will come up with that process as well. Let the SAC do the research and submit to staff. Mr. Murray volunteered with Mr. Manson and Mr. Filley to come up with that information which is due by the April meeting. Mr. Murray will be the Chair.

NEXT MEETING

The next SAC meeting is scheduled for Thursday, February 26, 2009 in Sault Ste. Marie, Michigan.

The meeting adjourned at 1:53 p.m.

Public Present:

Nancy Locatis, Allegan Co. Snow Club
Jim Conley, Allegan Co. Snow Club
Bradly Potter, Western MI Snow Council
Perry Elliott, MSA
Dora Freeborg, St Helen Sno Packers
Don Britton, MUPSA, Hiawatha Trls
Jim Dickey, MSA
Ken Scott, Gogebic Area Grooming Inc.
Gail Scott, Gogebic Area Grooming Inc.
Richard Musson, Schoolcraft Co. Snow Assoc.
Bob Forry, Schoolcraft Co. Snow Assoc.
Gerald Reese, Schoolcraft Co. Snow Assoc.
Dick Anderson, Hiawatha Nat'l Forest
Ray Williams, SE Council, MSA
Bob Bowers
Al Green, Cadillac Winter Promotions

Bruce Wood, Jordon Valley, MSA
Rob King, Region 2, MSA
Keith Litchfield, Badra & Sons John Deere
Tom Gallagher, St. Helen Snowpackers
Larry Harris, Southern MI Snow Council
Karen Middendorp, MSA
Rick Brown
Don Reed, MSA
Rick Johnson
Ken Stigers, Keweenaw Trl Services
Bill Stegeze, Bader & Sons John Deere
Kaye Houk, Presque Isle Sno-Trails
R. John Houk, Presque Isle Sno-Trails

Karyn Hantamaki, Munising, MSA
David Witt, John Deere Credit
Dr. Charles Nelson, MSU